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SUBJECT: FRENCH PM FILLON SIGNS EIGHT ECONOMIC AGREEMENTS
ON VISIT TO TUNISIA

Summary

[¶1.](#) (SBU) French Prime Minister Francois Fillon wrapped up a 36-hour official visit to Tunisia on April 24, and then stayed on for a few days of personal travel. He brought with him an entourage of 100 people, including four ministers, 60 businessmen, and 10 university chancellors. He met with several Tunisian ministers, including the Prime Minister, as well as President Ben Ali. During the visit, Fillon signed eight bilateral accords on financing for small and medium enterprises (SMEs), transportation, nuclear cooperation, and an 80 million euro bilateral aid package. Fillon also spoke on migration, the economic crisis, and the Mediterranean Union. Noticeably absent from the delegation were Foreign Minister Bernard Kouchner and French Secretary of Human Rights Rama Yade. Publicly, Fillon barely touched on democracy and human rights during his stay. End Summary.

Aid for SMEs and Transportation Agreements

[¶2.](#) (U) France is by far Tunisia's largest trading partner, with bilateral trade currently standing at 7.2 billion euros per year. France has over 1,000 businesses in Tunisia (employing over 108,000 people), is Tunisia's largest aid donor (120 million euros per year), and sends the largest number of tourists (1.2 million in 2008) to Tunisia. During his visit, French Prime Minister Francois Fillon focused on economic cooperation, bringing over 60 French businessmen in his delegation. He announced the creation of a 40 million euro credit line for Tunisian exporters, with the caveat that they buy French products. He also signed an MOU for dialogue between the French Development Agency (AFD) and the Tunisian Ministry for Development and International Cooperation, noting the AFD had signed three aid agreements for 80 million euros, 65 million destined to water management and 15 million to vocational training.

[¶3.](#) (U) Transportation was a hot topic during the visit. France and Tunisia signed a framework agreement for partnerships in air, maritime, land, and rail transport. In addition, the parties signed an accord creating a maritime transport institute and another to move forward with the project of extending the Tunis tramway and building local express trains. The Tunis Urban Transport Society (TRANSTU) signed a deal to buy 16 tramway cars for 65 million euros from French company Alstom. According to an Alstom employee, this deal includes a 10-year maintenance contract. On the

sidelines of the visit, the Tunisian Industry, Trade and Handicrafts Union (UTICA) met with its French counterpart, the Movement of French Enterprises (MEDEF).

¶4. (U) The Tunisian Minister of Transportation, Abderrahim Zouari, outlined the GOT's strategy to modernize ports and raise the percentage of the national fleet used for transport of merchandise from 9 percent currently to 20 percent by ¶2016. Zouari mentioned some of Tunisia's plans for modernization in logistics transport services, noting the GOT's plan was to reduce the cost of logistics from 20 percent of GDP to 15 percent, especially in view of likely increases in volume of transported goods (from 95 million tons in 2007 to an expected 190 million in 2016).

The Economic Crisis and Migration

¶5. (U) Tunisian Prime Minister Mohamed Ghannouchi said the international economic crisis would not alter bilateral investment dynamics in any way. Minister of Transportation Zouari, however, took a more practical approach by noting the GOT had to raise competitiveness in the field of logistics in order to counter the effects of the crisis.

¶6. (U) With approximately 600,000 Tunisians or dual nationals currently living in France, migration is a key piece of the bilateral relationship. The GOF issued nearly 80,000 visas last year to Tunisian citizens (an 8 percent rise from 2007), most for short-term stays. Last year, during President Sarkozy's visit, France and Tunisia signed a migration accord providing 40 million euros over three years

for vocational training. The accord also set aside 3,500 employment visas annually for young Tunisians working in a variety of sectors. During his visit, Fillon was questioned on this topic, and clarified that the plan was part of a "controlled management of migration flows" and was intended to limit economic migration.

Robust Cooperation on Education

¶7. (U) Education cooperation was a big deliverable during Fillon's visit. Currently, over 10,000 Tunisian students study in France and over 60 percent of France's bilateral aid is destined to higher education programs. Half of the accords signed dealt with education, among them a fashion institute cooperation agreement and an agreement between a major French engineering school (ENSTA) and an engineering school in Bizerte (ENIT), with a goal of training 3,000 engineers yearly. In addition, the Research and Teaching Pole of d'Aix Marseille signed an agreement with Tunisian universities in El Manar to create a Mediterranean center for scientific and technical cooperation.

¶8. (U) Dominique Busserau, French Secretary of Transportation announced the creation of a satellite of the French Institute for International Transport and Ports (ITIP) in Tunis, and alluded to an agreement signed between the Paris Transport Authority (RATP) and the Institute of Transport and Logistics in Sousse. The French delegation also announced the upcoming opening of a Tunis branch of Paris Dauphine University.

Moving forward on Nuclear Cooperation

¶9. (U) Tunisia and France signed two agreements on nuclear cooperation during the visit, one outlining intergovernmental cooperation on development of peaceful uses for nuclear energy and another forming a steering committee on the same subject. France is helping Tunisia develop its first nuclear power station by 2020, which will produce 900 MW of electricity (20 percent of the country's estimated need).

France has similar atomic energy deals with Algeria, Libya and Morocco.

The Mediterranean Union ... An Afterthought

¶10. (U) According to press reports, Fillon mentioned the Union of the Mediterranean (UPM) only tangentially, calling it a tool for regional integration. He said the Mediterranean had high potential and the two countries needed to create a common space to develop projects and dialogue.

We Don't Give Lessons on Democracy

¶11. (SBU) In comparison to economic issues, the Prime Minister made fewer public statements on democracy and human rights. Fillon didn't include Foreign Minister Bernard Kouchner or Secretary of Human Rights Rama Yade in his delegation. Although French PolOff told the Embassy that Fillon raised the issue in private with the GOT, the press reported that he praised President Ben Ali for inviting international observers for the upcoming election, adding that it was a step toward progress. (Note: Ambassador and other Emboffs will seek further information from French counterparts in the coming days. End Note.) When Fillon was pinged on these issues during a press conference, he said that France "doesn't give lessons" on human rights, and that the world "asks more of Tunisia" because it is more developed and more "similar to us." He added that human rights problems "arise pretty much in every country in the world" and that democratization is a "continuous process."

Comment

¶12. (SBU) After Kouchner's March 2009 interview in Jeune

Afrique, in which he noted Tunisia could do more on democracy and human rights -- comments which incensed the GOT -- Fillon steered clear of those issues publicly and focused on the bilateral economic relationship. The visit was well-received by the GOT, which is actively exploring possible commercial opportunities to stem the negative effects of the global economic crisis. Relations between France and Tunisia continue on a steady positive note, as France remains Tunisia's most important commercial and political partner.
End Comment.
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